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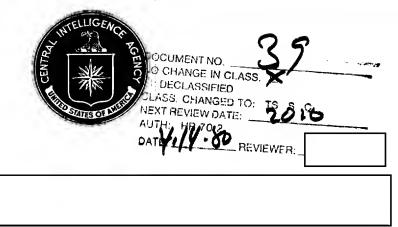
28 April 1959

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CENTRAL

INTELLIGENCE

BULLETIN



State Dept. review completed

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III. THE WEST

| Britain-UAR: (London, impatient with Cairo's delay in restoring diplomatic relations, has made a financial maneu- |
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| Top which iconording the sister of the state |
| ver which jeopardizes Nasir's efforts to secure an IBRD loan |
| to improve the Suez Canal. Under the terms of a 1958 agree- |
| ment, release of an Egyptian blocked sterling account would |
| require the UAR to compensate stockholders of the old Suez |
| Canal company. The British have unblocked this account |
| earlier than scheduled, and say they will vote against the |
| IBRD loan if the UAR is in default on its compensation agree- |
| ment. This action will tend to confirm the impression held |
| by many UAR officials that the British are continuing to work |
| against Nasir.) |
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| Argenting. To countage continuing stailed and a sitation |
| Argentina: To counter continuing strikes and agitation |
| against the US-backed stabilization program, President Fron- |

against the US-backed stabilization program, President Frondizi has issued a decree banning all activity by the Communist party and associated groups, at least for the duration of the present state of siege. He believes the Communists and Peronistas are mainly behind this agitation. Several antigovernment demonstrations may be attempted on 1 May.

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28 Apr 59

DAILY BRIEF

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| | III. THE WEST |
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| ı | British Financial Maneuvers Against Egypt |
| | Condension with Chinale delay in requirement in lamatic |
| | (London, impatient with Cairo's delay in resuming diplomatic relations, has made a financial maneuver which seriously jeopard- |
| | izes Egyptian efforts to secure an IBRD loan for expanding the |
| | Suez Canal. Under the terms of a 1958 agreement, London's release of Egyptian blocked sterling would require the UAR to com- |
| | pensate stockholders 'forthwith' to the amount of \$22,960,000 |
| | as part of an accelerated repayment schedule. The Bank of England now has removed all restrictions on Egypt's blocked |
| | sterling account earlier than scheduled, thereby apparently bring- |
| | ing into effect this hitherto unimportant clause. If Cairo fails to make payment "forthwith," it probably will be in technical default |
| | and its credit standing will be seriously impaired. In such an |
| | event, the British state, they would be unable to vote for a World Bank loan to Egypt) |
| | Bank toan to Egypt, |
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| | |
| | Cairo has not responded to the Bank of England, but apparently |
| | will not make payment and will not compromise its position that |
| | holds the bank's action illegal |
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Argentina Bans All Communist Activities

Argentine President Frondizi issued a decree on 27 April banning all activity by the Communist party and associated groups. He evidently hopes to curtail the Communists' capabilities and to undercut any Peronista moves to collaborate with the Communists, especially in forthcoming union and provincial elections.

Frondizi is convinced that the Communists and some extremist Peronistas are fomenting the present agitation against the US-backed economic stabilization program, such as the Communist-led bank strike and the riots of 3 April which led to the expulsion of five Soviet diplomats. New demonstrations by Communists and Peronistas and by the Communist-led student federation are reportedly planned for 1 May.

As Frondizi had warned, the government's austerity and stabilization measures since 1 January have caused hardship for labor. The cost of living has risen about 47 percent, and real wages are the lowest since Frondizi took office on 1 May 1958. On the other hand, the government has signed additional development contracts with private petroleum companies, and crude production during the first quarter of 1959 increased 33 percent. This, together with a favorable export movement and reduced imports, indicates to some officials that a "reasonable" trade balance for the year may be achieved, reversing the past decade of heavy trade deficits.

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THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps The Director, The Joint Staff Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of the Interior

The Secretary of the Interior

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

